

7. It will be seen, therefore, that the Far Eastern naval problem is one which concerns the Empire as a whole.

8. Only one conclusion can be drawn—viz., that the Far Eastern Fleet should be provided by those constituent parts of the Empire, including Great Britain, for which it is of vital necessity, and that there should be the closest co-operation, with unity of direction in war, between the various squadrons composing that Fleet.

9. The question of the necessary strength of the Far Eastern Fleet is discussed in Volume III. Beyond remarking that the growing naval strength of nations outside European waters, and the disappearance of the German and Austrian Navies, suggest a reconsideration of the strategical distribution of British naval forces, it is sufficient in this chapter to give the figures that are arrived at, and to discuss the method of providing the fleet.

10. In this connection the effect of the formation of the League of Nations, and its influence on the question of limitation of armaments, cannot be ignored; but as no decisions on the subject of such limitations have yet been announced, it is only possible in this report to deal with matters as they exist at the moment or can be forecasted for the near future.

11. It is considered, then, that the naval interests of the Empire may require within the next few years a seagoing Far Eastern Fleet comprising vessels of every class, and for the purpose of this chapter it is assumed that this fleet will be composed of the vessels mentioned in paragraph 10 of Volume III.

12. This fleet, comprising ships of the Royal Navy, the East Indies Squadron, the Royal Australian Navy, and any vessels stationed in Far Eastern waters furnished or maintained by New Zealand, Canada, and the Malay States, should, together with the vessels required for the direct protection of trade by convoy, be organized to act under one single direction in war, and for the general safety of British Far Eastern possessions and sea communications.

13. The fleet is additional to all ships required for the defence of harbours.

It is suggested that, whilst the general defence afforded by *seagoing fleets and convoy vessels* is shared by the different parts of the Empire, each Dominion and India, as well as the Mother Country, should bear the cost of the vessels specially allocated to its own harbour defences.

War experience has shown that trade is best protected against attack by means of a convoy system. This experience only confirms that gained in earlier wars; but it was impossible to put a convoy system into force in the late war until the middle of the year 1917, because there was an insufficient number of cruisers for the ocean work and of destroyers for the anti-submarine screening work required in the vicinity of ports. It is assumed that the people of the Empire will not be satisfied with such a condition of affairs in the future.

The number of vessels required for a complete convoy system in Far Eastern waters is given in Volume II, Chapter X. This requirement may increase in the future, and the increase can be met by making use for convoy work of light cruisers which, though no longer fit for fleet work and replaced for this service, could still be used for convoy duty.

14. Plans for harbour defence are dealt with further in Volume II, and recommendations made as to the exact allocation of the local Forces in New Zealand waters. Recommendations on this subject for the other Dominions will also be put forward.